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SUBJECT: CDU AND CSU RALLY AROUND MERKEL, ELECTION PLATFORM
AT PARTY CONGRESS

Classified By: Political Minister Counselor Jeffrey Rathke for reasons
1.4 (b,d).

Summary

¶1. (C) The Christian Democratic Union (CDU) and its Bavarian sister party the Christian Social Union (CSU) rallied behind Chancellor Merkel (CDU) as their lead candidate and showed strong unity in their joint "election platform" at their June 29 congress in Berlin. In her speech, Chancellor Merkel avoided partisan sniping to frame some of the major social and economic challenges facing the country and to provide solutions. These included greater regulation of the financial market, investment in education and technology for economic growth, and addressing the demographic problem of an aging population. She appealed to all Germans to join in efforts to meet the challenges ahead. (Note: The CDU is scheduled to hold another major event on September 6 in Duesseldorf to launch the final hot phase of the campaign.)

¶2. (C) Although absent from the party congress discussion and Merkel's speech, the CDU/CSU election platform includes a separate chapter on foreign policy calling for a strong transatlantic partnership, commitment to NATO and to the development of the Alliance's new strategic concept, Germany's responsibility for Israel's security and existence as a Jewish State as well as for a two-state solution, good relations with Russia, and Germany's continued contribution to Afghanistan's stability and security. While Merkel took the high road, key CDU and CSU political figures attacked the rival Social Democratic Party (SPD), which is currently more than 10 points behind the CDU/CSU in the polls. They cast the SPD as an irresponsible spender, incapable of navigating the country through its current economic woes. They again pointed to the Free Democratic Party (FDP) as the CDU/CSU's preferred coalition partner. End Summary.

CDU and CSU Embrace, After Months of Tension

¶3. (SBU) After months of inter-party wrangling between the CDU and CSU over the timing and nature of tax cuts, as well as tensions within the CDU over tax increases, the CDU and CSU came together (for the time being, at least) in a strong show of unity at their June 29 party congress. CSU Chairman Horst Seehofer, who in the recent past had not shied away from confronting the CDU over economic issues, heaped praise on the Chancellor, beginning his speech with, "We do not need a candidate, we have a Chancellor," and later, "She's our Chancellor and she'll remain our Chancellor." Merkel also lauded key CDU and CSU politicians for coming to agreement on a joint election platform. Her speech quickly lifted her audience above the political fray as she highlighted Germany's successes, and its future challenges. She invited all Germans to contribute to efforts to meet the challenges ahead.

¶4. (C) Much of Merkel's speech was a rallying cry to overcome the economic crisis. She dismissed tax increases as a solution, including proposals by some in her own party for increases in the value-added tax and taxes on higher earners. She stressed the need for greater regulation to guard against a repetition of the "excesses" of the financial market, and extolled the stability and security of the social market economy. Of note was her focus on Germany's demographic challenge of dealing with both an aging population and a shrinking younger population. Merkel's main mantra was economic growth as a remedy for the crisis. To achieve growth, she called for an increase in investments in education, including of children with immigrant backgrounds, with an investment of 10% of the gross domestic product by ¶2015. She also called for more investment in research and in technology. Also part of the platform are modest tax cuts amounting to around 15 billion euros over four years. Referring to her recent visit to Washington, Merkel quipped that the United States had discovered the importance of climate change and she called on Germany to act quickly to develop new technology to avoid being outpaced, noting the quicker pace of change in the United States.

Strong Foreign Policy Platform

¶5. (SBU) The 63-page platform is divided into four sections focusing in the first three on strengthening the social market economy, promoting education and bolstering the family, maintaining quality of life, and ensuring freedom and security. Foreign policy issues are covered in the final section of about 10 pages. The introduction to the foreign policy provisions states that "the fundamental values of the Basic Law, the security of its citizens, and the interests and global responsibility of Germany and Europe must be the yardstick for Germany's foreign and security policy." The election platform's foreign policy provisions call for:

- Strengthening the transatlantic partnership together with the new U.S. president, including the trade partnership;
- Maintaining Germany's commitment to NATO and to the development of the Alliance's new strategic concept that will respond appropriately to changes in security policy; NATO remaining open to new members who share the Alliance's values and whose membership brings more security for all member states;
- Germany remaining a strong voice for human rights;
- Maintaining Germany's special responsibility towards Israel as a Jewish state and for Israel's security; endorsement of a two-state solution for Israel and the Palestinians;
- Good relations with Russia -- as close relations as possible, depending on Russia's readiness to meet its obligations in the UN, OSCE, the Council of Europe, the European Energy Charter and the EU;
- Working with the emerging nations of China, Brazil, India, Mexico, and South Africa to solve many of the global problems;
- Internal reform of the UN and a permanent seat for the EU on the UNSC; in the interim, Germany would be prepared to assume more responsibility by taking a seat;
- Combating piracy within the framework of the UN; creation of an international court on piracy;
- Averting the spread of instability and terror from Afghanistan; helping Afghanistan provide for its own security, including by training and civilian reconstruction; recognizing that "the military security presence and civil reconstruction are inseparably linked";
- The continuing necessity of conscription; taking decisions on deployments abroad in coordination with the Bundestag

based on the values and interests of Germany and in light of international alliance obligations;

-- Supporting a strong European Union, including a strong EU foreign and security policy; development of a common security strategy;

-- Not affording Turkey as yet full EU membership; supporting a privileged partnership instead of full membership for Turkey;

-- Supporting a long-term EU energy policy.

SPD Takes Brunt of Digs

¶6. (SBU) Although Merkel refrained from partisan attacks, her party colleagues did not, with most taking swipes at the SPD. In his opening remarks, CDU General Secretary Ronald Pofalla raised the specter of a possible coalition between the SPD, The Left Party, and the Greens (red-red-green) -- although the SPD has rejected cooperating with The Left -- stressing that there is no place in Germany for such a government. Seehofer also sought to remind Germany that the SPD (specifically, the SPD in the State of Hesse) had gone back on its word and tried to cooperate with The Left at the state level. Some of the key CDU and CSU leaders cast the SPD as irresponsible and incapable of leading the country out of the economic crisis. They depicted the CDU/CSU as representing the interests of the middle class and the SPD as a big spender, which will raise the tax burden on the middle class.

Comment

¶7. (C) The CDU/CSU congress framed the economic crisis as the main campaign theme for the September election. CDU contacts told us that they do not expect foreign policy issues to be a focus. The CDU will defend Germany's global responsibility if questioned by The Left, but the CDU does not otherwise plan to highlight foreign policy. Continuing to demonstrate leadership and capability in the economic arena will be first and foremost on the Chancellor's mind as the elections approach.

¶8. (C) Merkel has achieved the CDU-CSU unity she needs going into the elections. She must now seek to retain CDU/CSU's position as the strongest mainstream party. Polling at about 36%, the CDU/CSU leads the SPD by over 10 points. According to these current polls, the CDU/CSU would be able to form a slim majority with its preferred coalition partner, the FDP. The main concern for the Chancellor now, however, is that the liberal FDP could continue to attract traditional CDU/CSU supporters who seek a more conservative economic policy. Merkel acknowledged this fear indirectly in her remarks when she stressed that the CDU/CSU has the power to strengthen the country and promote growth and they can do that best with the FDP. She added, however, that "this is only possible with a strong CDU."
Koenig